DOCUMENT RESUME

ED 195 686 CE 027 087

AUTHOR Dobbs, Ralph C.
TITLE Elderly Consumers and the Used Goods Economy.
PUB DATE 80
NOTE 9p.: Paper presented at the National Adult Education Conference (St Louis, MO, November 2-7, 1980).

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Adult Education: *Consumer Economics: Consumer Education: *Economic Factors: *Educational Needs: *Older Adults: School Role

ABSTRACT

A study examined the used goods market as it affects older adults. A set of open-ended questions was administered to 100 respondents over sixty years of age who were either retired or near retirement, married or widowed, and suburban or rural. Interviews were conducted to derermine the effects of the used goods market on the elderly consumer, to isolate the factors associated with participation in the used goods economy, and to determine the role of education in helping the older consumer cope with contemporary economic problems. Respondents indicated that they feel a status loss and denial of service. An increased utilization of public media and an increase of auctions, sales services, and philanthropic and religious organization involvement has been associated with the used goods economy among the elderly. Participation in the used goods economy complex fulfills a social need among the elderly. Communities can serve the elderly consummer more effectively through the creation of local consumer guide information. Respondents indicated that buying and selling used goods can bring relief to their operating budget. A continuing education for the elderly consumer can help them achieve economic, personal, social, health, and cultural fulfillment. (MN)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED195686

ELDERLY CONSUMERS AND THE USED GOODS ECONOMY

by Ralph C. Dobbs
Professor of Adult Education
University of Missouri
Columbia, MO 65211

Paper prepared for the 1980 National Adult Education Conference
St. Louis, Missouri
November 2-7, 1980

According to a 1980 University of Mid-America study, nearly 1/3 of all Americans are 55 years of age or older. Most of these older adults are in a state of good to excellent health, with only five percent of the population in long-term care facilities. A considerable number of this group are still in the labor force and will remain there a part or all of this decade. Others are already retired and are adjusting to various changes in life styles and other compelling forces in their respective sub-cultural settings.

The one thread of commonality which exists throughout all of the population is the fact that the members are caught up in a conflict of consumer values. For the most part their traditional values have included buying goods and items which were durable, functional and economical in price. Now the elderly population finds itself with a reduced retirement income of approximately 50 percent, and yet the expectations remain to keep a living standard considerably above the human survival level.

One must consider also the serious jolt which all citizens have faced during the past decade, and that is the soaring costs of energy, food, clothing and housing. For many older adults, the mere necessities of life seem to be priced beyond

CE027087

their income level.

General Research Question

In view of the many complexities concerning reduced income and soaring inflation, the question is: how can the older adult cope with the daily tasks of securing adequate and appropriate goods and services in order to enjoy a satisfying living standard?

A further amplification of this question raises the point: can, will or should the older citizen live out the later stages of his or her life trying to "grub-out" a living at a subsistence level?

Inherent within this general research question lies the hypothesis which is explored in detail in this study.

It simply maintains that a local economy of exchange consisting primarily of an economy of second-hand "used goods" that has always been present in the United States is having a new emergence in the decade of the eighties. Not only is the phenomenon serving an economic need, but it is providing a social dimension which assists the older adult in coping with the pressures of shrinking income, soaring inflation, and limited physical activities in his or her life. It is contended that even though most of these factors are operating in the lives of the young and middle aged adult, the impact is even more significant for the older adult. The avenues for serving the older adults involve personal, group and cultural factors which help the elderly improve their coping power in an inflation-prone, consumption-oriented society.

Purpose of Study

The purpose of this study is threefold. It is as follows:

(a) To look at the saliency of the secondary used goods market primarily as it affects the elderly consumer.

(b) To lift up the social, personal, economic and cultural factors associated with participation in the used goods economy as reported by the elderly respondents.

(c) To be able to conclude what educational inputs would be helpful to the elderly consumer in coping with the consumption problems of our contemporary society.

Literature on Aging - A Brief Overview

In general the literature on aging does not indicate that older adults consume distinctly different from that which has been dictated by long-term habit. This study will hopefully probe for new approaches and challenge some of the long standing generalization which have grown to be accepted by societal standards.

Schulz in his 1976 study clearly projects elderly people as a growing consumer in the United States. He points out that about 10 percent of the National output is utilized and consumed by adults over 65 years of age.

Friedman and Orbach in the mid seventies examined the impact of retirement and showed that even though retirement caused extensive trauma, there remained time for considerable joy and satisfaction in non-productive adult leisure.

Hill maintains that people of all generations purchase used goods and that the grandparent generation carries on a thriving used-goods activity comprising about one-sixth of all purchases made by society in general. This percent is projected to increase through the next 2 decades.

It is encouraging to note that many states are now making efforts to protect their citizens through the Sherman Act, as well as through consumer protection laws. Consumer fraud has been a huge factor in increasing stress on the older person; consequently, laws are needed to protect the innocent from misrepresentation and deceptive business practices.

The Ducovny study affirms the extensive amount of fraud that exists in the United States, showing the amount to be in excess of a billion dollars a year. Most fraud was found to be associated with health services and health aids.

McClusky believes that the reason adult populations have received little attention is because there is an extreme limitation of scholarly pursuit regarding this growing population. He implies that the U.S. culture does not affix respect to the positions held by the elderly. The status of being "retired" basically connotes no recognized function in this society.

Oyer in a 1976 study wraps up many of the issues set forth in this literature review. He and his co-workers conclude that many difficulties stem from the fact that society in general fails to provide any sanctioned pattern of activities by which the transition from middle age to old age might be mediated.

Methodology

An interview schedule of appropriate open-ended questions was prepared and field tested through a pilot study. After considerable adjustment in the schedule, 100 respondents over 60 years of age were chosen as being representative of the consumer who is retired, near retirement, married, widow or widower, and suburban or rural. The interviews were conducted

with care and full promise of confidentiality.

Responses were analyzed both qualitatively to ascertain what relationships were meaningful, and quantitatively to find the incidence and degree of significance.

Findings and Conclusions

As soon as the data were collected and analyzed, it became apparent that the number of variables and the number of respondents made the reliability of the conclusions rather difficult to depend on primarily due to the sample size.

Since the study was of an exploratory nature, every effort was then made to examine the findings on a qualitative basis as well.

In view of the response in this study, the following findings and conclusions seem to be substantiated:

1. Inflation over the past 5 years has had a serious impact on the purchasing power of the elderly consumer.
2. The prospect of a serious upheaval and perhaps revolt may occur among the elderly if the inflationary crunch continues.
3. There is a "status loss" feeling among the elderly.
4. There is a feeling of denial of service among the elderly with a prospect for more economic deprivation in the future.
5. There is an increased utilization of public media associated with the used goods economy among the elderly.
6. There is an increased spread of auctions and sales services to better serve the needs of the elderly consumer.

7. Philanthropic and religious organizations are increasing their interest in re-distributing serviceable commodities among lower income elderly consumers.
8. There is a "social needs area" among the elderly which is fulfilled in a meaningful manner through participation in the used goods economy complex.
9. There is evidence that many communities can serve the needs of the elderly consumer more effectively than they are presently providing through the creation and use of local consumer guide information services.
10. There seems to be overwhelming evidence also that buying and selling used goods can bring about some relief to the operating budget of the older adult.
11. The changing quality of life particularly as it relates to one's physical well being coupled with the debilitating effect of major medical conditions are paramount considerations in the views of the older adult.
12. Finally, it is concluded that a continuing education service for the elderly consumer can help move their interest toward fulfillment, be it economic, personal, social, health, or cultural in nature.

BIBLIOGRAPHY

Atchley, Robert C. The Social Forces in Later Life. Belmont, California: Wadsworth Publishing Company, Inc., 1977.

Binstock, Robert H. and Ethel Shanas. (Eds.) The Handbook of Aging and the Social Sciences. New York: Van Nostrand Reinhold, 1976.

Bixby, L. Income of people aged 65 and older. Social Security Bulletin, 1970, 33, (4), 3-34.

Butler, Robert N., M.D., "Why are older consumers so susceptible?", Geriatrics, December, 1968, pp. 83-88.

Cooley, Leland Frederick and Lee Morrison Cooley. The Retirement Trap. Garden City, New York: Doubleday & Company, Inc., 1965.

Dobbs, Ralph C. Adult Education in America. Cassville, Missouri: Litho Printers, 1970.

Ducovny, Amram. The Billion Dollar Swindle: Frauds Against the Elderly. New York: Fleet Press Corporation, 1969.

Feldman, Laurence P. Consumer Protection: Problems and Prospects. New York: West Publishing Co., 1976.

Friedman, Eugene A. and Harold L. Orbach. Adjustment to Retirement. In Silvano Arieti (Ed.), The Foundations of Psychiatry. Vol. 1, American Handbook of Psychiatry, 2nd ed. New York: Basic Books, 1974.

Hill, Reuben et al. Family Development in Three Generations. Cambridge, Massachusetts: Schenkman Publishing Company, 1970.

Kreps, Juanita. "Economics of Retirement." In E. Busse and Eric Pfeiffer (Eds.), Behavior and Adaptation in Late Life. Boston: Little, Brown, & Co., 1969.

Malcolm, Andrew M. Millions of Elderly Suffer as Cost of Living Mounts. New York Times, Sunday, March 31, 1974, p. 51.

Oyer, Herbert J. and E. Jane Oyer (Eds.). Aging and Communication. Baltimore: University Park Press, 1976.

Schulz, James H. The Economics of Aging. Belmont, California: Wadsworth Publishing Company, Inc., 1976.

The Power of Aging in the Market Place. Business Week, November 20, 1971.

Troelstrup, Arch W., and E. Carl Hall. The consumer in American society (6th ed.). New York: McGraw Hill, 1978.

U.S. Senate Special Committee on Aging. Economics of Aging: Toward a Full Share in Abundance. Hearings: Parts 1-11 and various working papers. Washington, D.C.: U.S. Government Printing Office, 1969-1970.

University of Mid-America. Institute for Professional Development, P.O. Box 82006, Lincoln Nebraska. (Seminars and Workshops for Professionals Who Service Adult Learners.)

University of Missouri. Consumer Educator, Volume II, No. 4, p. 6, 1979.

White House Conference on Aging. Education: Background and Issues. U.S. Government Printing Office, Washington, D.C., 1971.

White House Conference on Aging. Toward a National Policy on Aging. Vol. 2, Stock # 1762-0069. Washington, D.C.: U.S. Government Printing Office, 1971.

White House Conference on Aging. The Elderly Consumer, Reports of the Special Concern Sessions on the Elderly Consumer, U.S. Government Printing Office, Washington, D.C., 1971.